

## Exhibit 112

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#### ODE Wants Competition For Charter School Contracts

Debate over imposing competitive bidding requirements on charter schools resurfaced recently as the Department of Education proposed rules designed to ensure competition for supplemental service contracts.

The Joint Committee on Agency Rule Review on Monday will consider the new regulations that stem from ODE's authority to regulate the entities that authorize Ohio's charter schools, which was expanded in the biennial budget measure ([HB 188](#)).

The proposed rules would require community school sponsors to provide evidence of their willingness to assure that any agreements for additional services, such as treasurer contracts, for their schools be awarded through a competitive process and pose no conflicts of interest. Remuneration for supplemental contracts is allowable beyond the administrative fee that sponsors can charge their schools.

A similar proposal to require charter schools competitively bid contracts for their management companies was removed from the biennial budget before passage. But some sponsors say ODE is now trying to impose a similar mandate through the back door.

Catherine West, vice president of governmental relations for Charter School Specialists, which contracts with the St. Aloysius Orphanage to sponsor community schools, said rules are unnecessary because current law already prevents sponsors from forcing contracts on their schools.

"If the issue is really a sponsor requiring a school to buy services from them, that's a violation of the law. Deal with that in a straightforward way," she said. "The issue of competitive bidding, regardless of where you're requiring it - that's a debate that needs to occur in the General Assembly."

Although the department revised the original rule that required an outright competitive bidding process, there's still not much of a difference, she said. "One might call it competitive bidding-like."

The proposed rules would saddle charter schools with additional administrative burdens and impede the flexibility they need to operate effectively, she added.

Ms. West said she didn't know whether the Ohio Association of Charter School Authorizers, of which St. Aloysius is a member, would contest the rules in JCARR next week. "Some would argue the position that it exceeds the agency's authority and is inconsistent with current law."

Kimberly Mumieks, executive director of ODE's Center for School Options & Finance, said the rule would not force charter schools to competitively bid services, but would require sponsors to assure that any supplemental contracts were obtained "through the sponsor's participation in an open process."

Some charter school sponsors seek to pad their income by offering their schools supplemental contracts, she said in a recent letter to JCARR members.

"ODE and the State Board recognized that, since the sponsor has the authority to close the school or take disciplinary actions, the potential for conflict of interest (or the appearance thereof) or unequal bargaining power could exist when a community school enters into supplemental service contracts with its sponsor," Ms. Mumieks said.

"In an effort to mitigate such issues, the proposed amendment clarifies that such additional services purchased from a sponsor are to be the result of an open process. The proposed additional requirements will help ensure that the community school is utilizing state funds appropriately by awarding the contracts to the lowest and best bidder," she said.

While the measure could result in less revenue for charter school sponsors, the schools would likely save money, ODE says in its [fiscal analysis](#).

Savings for charter schools would likely outweigh the costs of administering a competitive process, the agency said. Estimates are not possible because ODE cannot determine whether current contracts are competitively priced.

In her letter, Ms. Mumieks notes that not all charter school sponsors are opposed to the proposal and cites previous testimony from the Thomas B. Fordham Foundation, which sponsors six schools in Ohio.

During a public hearing on the rules in May, Fordham's Vice President for Ohio Programs and Policy Terry Ryan said sponsors should remain separate from service providers and charter school operators.

"We see it as an inherent conflict of interest when a sponsor also functions as the (paid) purveyor of services to its schools, or blurs the line between operator and sponsor in other ways," he said.

Mr. Ryan further said the 3% limit on sponsors' administrative fee "introduces perverse incentives and shortages" and forces many sponsors to sell supplemental services. "It is no stretch to say that, for most sponsors in Ohio, quality sponsorship costs more than such fees can generate."

Capitol Square Budget Plan Taps Into Garage Revenue For Statehouse Operations

In a refrain likely to echo throughout state government in months ahead, the agency that oversees operation of the Statehouse, parking garage, and grounds said in a draft of its next two-year budget that it "simply can't cut" its General Revenue Fund account any further.

The Capitol Square Review and Advisory Board will be asked later this month to approve and forward to the Office of Budget and Management a proposed budget for the Fiscal 2012/13 biennium that begins July 1, 2011.

The proposal cleared a CSRAB budget subcommittee this week.

As OBM is requiring of all agencies, the request contains two versions of the spending plan. One is based on 100% of current GRF allocations, and the other on 90% of existing amounts - a 10% cut.

In either case, the requested two-year total would be less than the approximately \$13.4 million that CSRAB had in its budget for the FY 2008-09 period.

State government faces a revenue shortfall estimated at up to \$8 billion over the next biennium.

The two-year package the CSRAB budget committee recommended, at 90% of the current GRF, would total about \$10.6 million over the next two fiscal years.

The agency said the 10% cut would require a \$183,871 reduction in GRF support.

"We simply can't cut GRF any further so we will need to pay some of the current GRF obligations with garage funds," the budget plan said. "We propose that we reduce the GRF by transferring all of the service contract costs to the garage fund for payment."

CSRAB in recent years has increasingly tapped into revenues from the underground parking garage to finance Statehouse operations as GRF appropriations declined.

Under both budget proposals, the parking garage fund would provide about 55% to 56% of CSRAB operating funds, and the GRF 31% or 33%. Income from events held in the building and museum shop sales provide about 12% of operating revenue.

CSRAB staffing levels have fallen in recent years, from a full time equivalent of 71 in 2008 to the current 53 positions.

No additional personnel cuts would be required under either of the budget scenarios the full board will consider Oct. 20 for submission to OBM.

CSRAB said a major issue facing budget planning for FY12 is a substantial increase in projected payroll costs over the current year due to three factors: an additional pay period (27 instead of 26); a one-time pay supplement to be included on pay received Aug. 26, 2011; and a support payroll charge for the OAKS system.

"We will need to increase our request for payroll over the FY11 allotment in the garage fund and decrease the allotment for the maintenance and supplies line item to offset the payroll. But barring any unforeseen major costs, we should be able to make this work," a budget document said.

#### Post WW II Architecture Threatened, Under-Appreciated In Ohio, Historical Society Says

The idea that post World War II architecture in Ohio is inferior has contributed to a threat on the historic designs and have Ohio Historical Society officials calling for increased preservation efforts, officials said.

The OHS Historic Preservation Office this week presented findings from a year-long project, which indicate architecture from 1940 to 1970 is increasingly threatened.

"Mid-20th-century properties are more often endangered by neglect and demolition than older properties," OHS Executive Director and CEO Burt Logan said in a release. "Buildings and homes built after World War II suffer from a perception problem about their relative historic value and architectural significance, which contributes to their endangerment.

"Many view that design of mid-20th-century architecture as inferior creating a sense of disposability. This is what needs to be changed in order to preserve Ohio's recent past and its legacy."

Ohio Modern: Preserving Our Recent Past documented historic themes and properties of the greater Dayton area that hark back to that era. The purpose of the project was to raise awareness of preserving recent-past architecture by serving as a model for other Ohio communities, said Barbara Powers, who directed the endeavor.

She said the Historic Preservation Office discovered that historic properties of the recent past were considerably under-represented in survey information, Ohio historic inventory and property listed in the National Register of Historic Places.

"We set out to undertake this project in order to gain more information about this time period in Ohio and also to begin to identify additional properties that reflect the broad trends and important expressions of architecture from this time period," Ms. Powers said in an interview.

Of the total \$136,500 cost of the study, \$87,656 came from the Preserve America Program of the National Park Services. Dayton is a Preserve America community, which is why that area of the state was the research focus, Ms. Powers said.

The additional funding sources came from the matched the Preserve America grant, including the Department of Transportation, Department of Development, the Ohio Humanities Council, City of Dayton, University of Dayton, and Ohio Historic Preservation Office.



Among the at-risk properties discovered are all schools in Dayton and Huber Heights in addition to movie theaters, motels, drive-in restaurants and roadside signs, according to OHS.

Many prominent examples of 1940- 1970 architecture have already been demolished in recent years, including all four examples of unique raised school gymnasiums, Dayton's Polynesian-themed Kon-Tiki Theatre, and the Flint's Hamburgers sign with revolving starburst, OHS reported.

Because they are under-appreciated and often misunderstood, these recent-past sites are often not taken into consideration in decisions about reuse or future opportunities for economic development, Ms. Powers said.

Not all is lost, however. The study also reports a "wealth of resources" remain in the metropolitan region that illustrate the area's post-WWII prosperity, thus imbedding a legacy on each community's streetscape.

The Ohio Modern Project recommends communities undertake historic inventory surveys of recent-past architecture then nominate the properties to the National Register of Historic places.

Additionally, organizations and property owners should seek local resources, such as from historical societies, government offices and home building and other trade associations, in their efforts to preserve the sites, according to OHS.

"Ohio communities need to take action now if they want to preserve the built environment that was influenced by this unprecedented period of growth and prosperity in America," Ms. Powers said in a release. "Currently, less than 1% is recorded in the Ohio Historic Inventory and these historic properties are being lost at a phenomenal rate."

#### Prescription Drug Abuse Task Force Issues Final Report; Medical Group Takes Issue With Proposal

Ohio's leading physician organization raised concerns Friday about the release of recommendations on prescription drug abuse problems, saying a proposal to regulate dispensing could pose significant administrative burdens on doctors.

The Ohio Prescription Drug Abuse Task Force's final report includes 20 suggestions for the governor and General Assembly to address the problem that is a key cause of death in the state.

The task force said dispensing control is needed because some pain clinics essentially operate as "pill mills." Such distribution is also not reported to the Ohio Automated Rx Reporting System.

The OSMA, which had a representative on the task force, said the implementation of the recommendations would impact all physicians and insisted a balance between curbing the epidemic and ensuring high-quality care for legitimate pain patients be maintained.

"We ask lawmakers to avoid enacting new regulations that will create additional administrative burdens on practicing physicians and will divert them from their focus of providing patient care," OSMA President Dr. Richard Ellison said in a statement.

"Physician practices are already overwhelmed with paperwork and mandates, adding additional regulatory burdens that have a limited impact on addressing the prescription drug abuse and diversion problem will only hurt patients' access to high quality, affordable medical care that they need and deserve."

Mr. Ellison said the organization otherwise supports other efforts to crack down on the few bad eggs among prescribers.

Gov. Ted Strickland said prescription drug abuse must be fought with every available tool. "I created this task force to assist law enforcement, public health officials, and lawmakers in our efforts to protect Ohioans from the scourge of prescription drug abuse."

"We will move quickly to work with the legislature to adopt recommendations that will help combat prescription drug abuse, including implementing standards for pain management clinics, working with providers to improve the use of the Ohio Automated Rx Reporting System, establishing and supporting local coalitions, and exploring ways to support critical drug and alcohol treatment services for Ohioans."

Other recommendations in the report are for increased funding and education, facilitating proper disposal of prescription medication, as well as establishing new and supporting existing coalitions to address the prevention of prescription drug misuse, abuse and overdose.

"The task force's recommendations preserve a necessary balance between prevention, treatment, law enforcement, legislative needs, education needs and policy changes and are the first steps in addressing this issue from each of these critical perspectives," OPDATF Chairman George Maier said.

Ohio has already taken steps that align with some of the task force's recommendations: the state previously set aside \$250,000 in Justice Assistance Grants to help local law enforcement with funding to investigate and prosecute cases involving prescription drug abuse, and the state conducted a prescription medication drop-off in collaboration with the U.S. Drug Enforcement Agency.

"An average of four Ohioans die each day from a prescription drug related overdose," OPDATF Vice Chairman Dr. Alvin Jackson said. "These recommendations provide Gov. Strickland and Ohio's legislators with solutions that will help to combat this epidemic and reduce the tragic statistics."

#### Schmidt Introduces Bedbug Control Bill, Says Ohio 'Epicenter' Of Growing Problem

Describing Ohio as being "at the epicenter of a growing national bedbug problem," U.S. Rep. Jean Schmidt (R-Loveland) has introduced legislation to create a pilot federal program to provide grants to the state, local governments, and housing authorities to control the infestation.

"With this bill, Ohio communities will have more tools to fight this serious and growing health threat," Rep. Schmidt said.



Her proposal would provide for grants, administered jointly through the Ohio Department of Agriculture and the Ohio Department of Health, to assist housing authorities and local communities in dealing with persistent bed bug invasions.

The money would be targeted toward communities that lack the financial resources to deal with the problem without assistance. Funds from the grant were to be used for bedbug prevention and mitigation, disposal of bedbug infested material, and monitoring bedbug infestation activities.

The bill would provide \$500,000 in 2011 and another \$500,000 in 2012.

Rep. Schmidt cited recent reports about Ohio and Cincinnati being ranked at or near the top of states and communities with growing bedbug problems, as well as her work with constituents across the 2<sup>nd</sup> Ohio Congressional District, as her reasons for moving the bill now.

She has been working on the bed bug issue with the U.S. Environmental Protection Agency and state and local officials for more than a year.

"Bed bugs are a serious and growing issue as well as a major health concern. We have a lot of work to do on getting a handle on this issue, but I am committed to assisting in whatever way I can to help regain control and mitigate the increase in bed bug infestation," Rep. Schmidt said in a news release.

The National Pest Management Association, a non-profit based in Virginia, welcomed introduction of the legislation.

The NPMA said many of the bed bugs found in Ohio have become seemingly resistant to commonly used pest products, making many of the infestations within the state especially difficult and expensive to manage.

It said *Time* magazine named Ohio the "nation's bed bug capital," and that Cincinnati, Columbus, Dayton, and Cleveland have all been rated as among the most bed bug infested cities on various lists published since July.

"The Buckeye State - in its entirety - has been significantly affected by the resurgence of bed bugs," said Bob Rosenberg, the association vice president of government affairs.

"Congresswoman Schmidt's legislation provides not only hope to the many Ohioans suffering from bed bug infestations, but it also provides a specific action plan and resources that will ultimately help local governments to better serve their constituencies," he said in a news release.

Text of the proposed legislation was not available Friday. The bill was referred to the U.S. House Energy & Commerce Committee.

#### Governor Announces Disaster Aid To Farmers In Most Ohio Counties

Farmers in 79 counties will be able to tap into federal aid as a result of being declared primary or contiguous natural disaster areas, the state announced Friday.

Gov. Ted Strickland had requested a disaster designation from the U.S. Department of Agriculture based on several natural disasters this year. The agency granted the request for 41 counties, according to the governor's office. Farms in an additional 38 contiguous counties are also eligible for the federal assistance.

"Ohio farmers faced economic losses and personal hardship as a result of these weather disasters, and I saw how important it was to help secure available aid," Gov. Strickland said in a news release.

"I am grateful for Secretary Vilsack's decision to provide some relief for the members of our agriculture community. This assistance will help our farmers make Ohio's \$98 billion food and agriculture industry even stronger."

The aid includes Farm Service Agency emergency loans and access to the Supplemental Revenue Assistance Payments Program, the state reported.

#### Organic Dairy Industry Views Court Ruling On Milk Labels As 'Clear Win'

Members of the organic dairy products industry Friday applauded what was described as "a clear win" in a federal appeals court decision striking down key Ohio restrictions on label claims about composition of milk.

The Organic Trade Association contended the rules, if allowed to stand, would have prevented consumers in Ohio from knowing whether products on grocery shelves were produced without synthetic growth hormones.

The Washington, D.C.-based association, whose members include growers, processors, farmers and others, was one of the groups that filed a federal court lawsuit challenging label rules the Ohio Department of Agriculture adopted.

Christine Bushway, association chief executive officer, said the organization believes consumers have a right to know how their food was produced, and that organic farmers and manufacturers should be allowed to tell them.

"We are pleased the court agrees," Ms. Bushway said.

The OTA said that in order to qualify for the organic label, producers are prohibited from using synthetic growth hormones, genetically engineered organisms, antibiotics, and persistent synthetic pesticides.

It said the court's decision, released Thursday, upheld consumer rights to receive truthful information about organic production practices on labels of milk and other dairy products. (See Congress Ohio Report, September 30, 2010).

It said the ruling also recognized the right of organic dairy farmers and processors to communicate truthfully with consumers regarding federally regulated organic production practices.

"As a result of this victory for organic, consumers will continue to see truthful information on organic product labels in Ohio and across the country," the OTA said in a news release.

Separately, a Colorado company that makes a variety of certified organic dairy products said the Ohio rule restricted a marketer's ability to state that its milk was produced without use of antibiotics, added growth hormones, or pesticides.

WhiteWave Foods, which makes the Horizon Organic brand, said the court decision meant consumers would continue to find organic dairy products labeled as being produced without use of artificial growth hormones.

"This ruling is a clear win for the organic movement and for consumers who rely on organic dairy foods as a healthy and nutritious alternative to conventional dairy products," said Mike Ferry, president of Horizon Organic.

"We are gratified that the appeals court has affirmed that the organic dairy movement can continue to tell its positive story," he said.

Horizon Organic is a member of the OTA, which describes such businesses collectively as a \$26.6 billion industry in North America.

*Politics Notebook:* Democrats Claim Early Balloting Edge; Mandel Ad Prompts ODP Rebuke; Portman Camp Slams Fisher Plan; Debates To Be Aired

Democrats said this week that their constituency is requesting early ballots at a rate exceeding Republicans "in the tens of thousands."

"Three days into early vote, the Ohio Democratic Coordinated Campaign is encouraged by the numbers we see," the party declared in a news release. "A tabulation of all 88 counties shows that nearly 20% more Democrats than Republicans have requested ballots."

The party also provided its analysis of "infrequent voting Democrats whose turnout is key to our victory," saying they "are requesting ballots in higher numbers than infrequent voting Republicans."

Additionally, the Ohio Democratic Party said, "Given what we know about the unaffiliated voters who have requested ballots, we are confident that they, too, lean toward Democrats."

The ODP run-down follows an analysis of ballot requests in the largest counties published earlier in the week by *The Cleveland Plain Dealer*. The paper reported in [its story](#) that a higher percentage of Republicans compared to Democrats had asked for absentee ballots in Cuyahoga, Franklin and Hamilton counties, where roughly 30% of all registered voters in the state reside.

**Mandel Ad Infuriates:** Rep. Josh Mandel (R-Lyndhurst) has followed up his first, mostly introductory TV ad with a spot that slams incumbent Democratic State Treasurer Kevin Boyce's hiring practices and deploys Islamic imagery.

The ad also uses newspaper headlines in raising questions over Mr. Boyce's record on investments. But its inferences regarding the hiring of a Muslim as the voice-over declares was for "a job Boyce admitted he only made available at their mosque," has Democrats crying foul.

"It's reprehensible that Josh Mandel is using subtle bigotry in an attempt to fear monger," Ohio Democratic Party spokesman Seth Bringman said Friday. "He can't talk about his qualifications to be treasurer, so he resorts to playing to people's fears and attacking Treasurer Boyce for the work he has done to save taxpayer money."

The Boyce campaign to the response a step further with an email to supporters that refuted the same points and was titled "Our opponent is lying."

**Portman - Fisher 'Cynical':** Republican Rob Portman's campaign has dismissed his U.S. Senate race opponent's plan to shake up Congress as political pandering.

Democrat Lee Fisher, the lieutenant governor, on Thursday touted a package of proposals to eliminate filibusters and crack down on corporate campaign involvement, among other things. (See [Gongwer Ohio Report, September 30, 2010](#))

"Lt. Gov. Fisher developing a 'good government plan' a month before the election is nothing more than a career politician's cynical attempt to pander for votes," Portman Campaign Manager Bob Paduchik said in a statement.

"This is the same Lee Fisher who used a campaign finance law loophole to take nearly \$1 million in union contributions; the same Lee Fisher who took \$400,000 in campaign contributions from special counsel attorneys doing business with his office. And let's not forget that the Strickland-Fisher administration just handed over a \$3.5 million state grant to developers who, coincidentally, happen to be major donors to Fisher's campaign. Lt. Gov. Fisher's 'good government' pledge is as hollow as his record as the state's Failed Job Czar."

On Friday, the Fisher campaign responded to the Republican camp's response.

"Of course Congressman Portman, who spent two decades in Washington fighting for the same special interests that are now fighting for him in this campaign, would think that good government is some kind of political ploy," Fisher campaign spokeswoman Holly Shulman said.

"But what else can we expect from Congressman Portman, who has been widely recognized as the ultimate Washington insider, is the number one GOP recipient of lobbyist campaign cash, and who himself started his career as a Washington lobbyist?"



**Debates Set:** The next few days are shaping up as busy ones for debate watchers, with gubernatorial tilt planned for Oct. 7 in Toledo and a handful of down-ticket events to be aired on the Ohio New Network.

The Toledo debate between Gov. Fed Strickland will be aired locally on WTOL-11 TV at 8 p.m. The event will also be carried live by 90.3 WCPN radio and at 11 p.m. by WVIZ/PBS.

ONN, meanwhile, will air face-offs between candidates for state auditor, secretary of state and Supreme Court justice. The schedule for those debates: 10 p.m. Oct. 5 between secretary of state hopefuls Sen. Jon Husted (R-Kettering) and Democratic Franklin County Clerk Maryellen O'Shaughnessy; 10 p.m. Oct. 6 between state auditor candidates David Pepper, a Democratic Hamilton County commissioner and Dave Yost, the Republican Delaware County auditor; and 10 p.m. Oct. 11 between Judge Mary Jane Trapp, a Democrat, and Justice Judith Ann Lanzinger, the incumbent Republican.

All of those debates will be rebroadcast on ONN on Oct. 30 at the respective times of 1 p.m., 2 p.m. and 3 p.m.

*Agency Briefs:* Minimum Wage To Move Up; Group Welcomes Wind Rule; Ohio To Take \$12.5 Million In Medicaid Settlement; Energizing Careers Program

The Department of Commerce announced a 5- to 10-cent per hour increase in the state's minimum wage effective Jan. 1, 2011.

At the start of the year, the minimum wage for non-tipped employees will increase from \$7.30 per hour to \$7.40. For tipped employees, the rate jumps from \$3.65 to \$3.70 on an hourly basis.

The increased wage will apply to employers who gross more than \$271,000 per year. Currently, Ohio's minimum wage applies to employers who gross more than \$267,000 per year, the agency reported.

The Constitutional Amendment passed by Ohio voters in November 2006 increases the minimum wage Jan. 1 of each year by the rate of inflation. The wage is tied to the Consumer Price Index for urban wage earners and clerical workers for the 12-month period prior to September. The CPI rose 1.4% from Sept. 1, 2009, to Aug. 31, 2010.

For employees at smaller companies and for 14- and 15-year-olds, the state minimum wage is \$7.25 per hour, which is tied to the federal minimum wage.

Separately, the Division of Unclaimed Funds reported it paid an average claim of \$1,318 in fiscal year 2010.

Unclaimed funds consist of monies that have been dormant or forgotten and are reported to the state for safekeeping until the rightful owners can be found. Some common examples include: dormant checking and savings accounts, forgotten rent and utility deposits, un-cashed checks, undelivered stock certificates, and un-cashed insurance policies.

In FY 10, the Division paid 41,992 claims worth more than \$55.3 million. The division's Online Treasure Hunt continues to be a popular means for Ohioans to initiate the claims process. In FY 10, the Division paid 31,900 claims that were initiated through the website for a total of nearly \$23.4 million. In FY 10, the division collected \$167.2 million from holders of unclaimed funds.

**Development:** The American Wind Energy Association this week applauded Ohio's bipartisan support for clean energy jobs and wind farm construction and manufacturing legislation (SB 232).

Ohio has implemented critical tax reforms that allow wind farm developers to start immediate construction, the group said. The law builds on the state's successful alternative energy standard by clearing the path for wind farm development at a faster pace.

Currently there are more than 1,100 megawatts of wind projects in various stages of development that support more than 3,000 wind manufacturing jobs in Ohio. AWEA said it expects to see some utility-scale wind farm construction benefit from fourth quarter 2010 development.

Separately, loans valued at more than \$10.1 million have been recommended by the Development Financing Advisory Council to support six economic development projects, which are expected to leverage more than \$8.4 million in capital investment. The funds, pending Controlling Board approval, are also expected to create 204 jobs and retain 342 positions for Ohioans.

Meanwhile, Ohio will receive \$5.3 million in Recovery Act funding for the Connect Ohio initiative to continue its work under the State Broadband Data and Development program.

The additional funding will continue projects in mapping, data collection, service area validation, and last-mile enablement efforts for three additional years, which fulfills the five-year broadband mapping program required of each state by the federal government.

Additionally this week, the Ohio Tax Credit Authority approved Job Creation Tax Credits for 16 businesses involved in projects that, if expanded or located in the state, are expected to create 1,009 jobs and retain 1,598 positions.

Separately, state and Akron METRO authorities flipped the switch this week on a 488-kilowatt solar photovoltaic renewable energy project. METRO received \$1 million in funding from the stimulus-supported State Energy Program to install the \$2.5 million solar energy system on the rooftop of the organization's bus barn, which is now the state's single largest rooftop solar panel system.

The transit authority is anticipating an estimated annual savings of \$40,000, and is expecting to produce an estimated 15% of the transit authority's annual energy needs at the bus barn. The rooftop installation is METRO's second solar project.

Meanwhile, the International Economic Development Council's board re-elected Mark Barbash, chief economic development officer for the Department of Development, to the board of directors for a two-year term.



**Attorney General:** Pharmaceutical giant Novartis has agreed to pay \$237.5 million in damages and penalties to state and federal health care programs to resolve allegations of improper marketing and illegal kickbacks to doctors, according to the attorney general's office.

Ohio's share of the settlement is \$12.45 million. Of that, \$7.7 million will go to the federal government to reimburse its contribution to Ohio Medicaid payments, the AG reported.

The company is set to plead guilty in U.S. District Court to a misdemeanor charge of misbranding and pay an extra \$185 million fine and forfeiture. Novartis also will enter into a corporate integrity agreement with the Inspector General of the U.S. Department of Health and Human Services, which will monitor the company's future practices as a condition of the settlement, according to the AG.

Separately, law enforcement officials announced the implementation of two new programs designed to help county sheriffs pursue sex offenders who fail to register with the state's electronic Sex Offender Registration and Notification system as required.

"Attorney General (Richard) Cordray obtained a federal grant that will provide help to us in two ways," Wood County Sheriff Mark Wasylshyn said in a release. "First, we will be provided with a callback system that double-checks the phone numbers which offenders have listed on their registration.

"Second, we will be reimbursed when we have to travel out-of-state to arrest some of the worst offenders for registration issues. In a time of tight budgets, this is help we certainly can use to keep our communities safe."

The AG's office obtained a \$155,546 grant from the federal Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking and the Adam Walsh Act Implementation Grant Program, which is part of the U.S. Department of Justice Office of Justice Programs.

The grant period for both programs begins Friday and runs through March 2011.

Also this week, AG Cordray sent a letter to Ohio judges requesting the state courts make a special review of all foreclosure cases that involve GMAC Mortgage. The letter was sent in response to recent reports of questionable affidavit procedures by the large loan servicer.

It appears that affidavits were being signed en masse, and that those signing them were attesting to having personal knowledge about matters that they in fact knew little or nothing about, according to the AG.

Separately, AG Cordray announced that 57-year-old John Wanek of Phoenix, Ariz., was sentenced to nine years in prison in connection with one of the largest mortgage fraud schemes in Franklin County.

Mr. Wanek used false statements and forged documents to illegally obtain more than \$38 million in loans to purchase six Columbus-area apartment complexes and then defaulted on the loans, according to the agency. He pleaded guilty to one count of engaging in a pattern of corrupt activity, two counts of theft, four counts of money laundering and one count of falsification in a theft offense.

In addition to the prison time, Franklin County Common Pleas Court Judge Julie Lynch also ordered Mr. Wanek to pay \$35 million restitution, with the first \$654,000 to go to vendors, contractors and employees harmed by the scheme.

**Governor:** Ted Strickland announced this week the first round of the Energizing Careers Program awards to five companies in Northwest and Northeast Ohio. The awards will fund training for up to 800 Ohio workers.

The \$6 million Energizing Careers Program was launched in June 2010 as a means to train Ohio's workforce for careers in the state's growing advanced energy manufacturing sector. The awards were made possible through the stimulus-funded State Energy Sector Partnership Training program.

The Energizing Careers Program assists companies providing components for the wind, solar and biomass industries. The program provides customized training for improving worker skills in Ohio's expanding advanced energy manufacturing sector.

The program reimburses the cost of training up to \$6,000 for full-time employees, with preferential project funding to companies located in the 44 Ohio counties impacted by the restructuring of the auto industry.

**Auditor:** Mary Taylor released a performance audit of the Franklin County Veterans Service Commission, which reveals the commission committed numerous violations of the Ohio Open Meetings Act.

The report shows the commission violated the law between 2006 and 2009 by making motions and approving financial decisions during executive sessions and increasing salary for administrative staff without documentation in meeting minutes and tapes.

**Transportation:** The department has been awarded \$568,354 in new federal funds - along with an additional \$318,000 in federal stimulus funds - to assist Ohio Disadvantaged Business Enterprise firms and promote training opportunities for women and minorities.

In addition to developing a Transportation Career Institute aimed at training opportunities for women and minorities, these new federal funds will also be used to launch a new DBE Capacity Building Academy - with a goal of improving the technical capacity of 20 DBE firms across the state to compete for state transportation construction work.

ODOT will also provide targeted one-on-one professional consultant services to about 30 DBE firms in the areas of marketing, business development, and accounting.

**Insurance:** The agency issued an emergency rule to better protect children under age 19 with pre-existing medical conditions by establishing uniform open enrollment periods in Ohio's individual market for coverage to be secured.



The rule addresses concerns that insurance for children with pre-existing medical conditions would only be purchased for brief periods of time when the purchaser knows that the child will need medical care.

This phenomenon exposes insurance companies to unfair financial risk because the pool of those insured disproportionately includes those who will be making claims.

Requiring all insurers selling individual policies for children to accept insurance enrollments for children at the same time, and for the same length of time, during specified "open enrollment periods," will provide a level playing field.

The open enrollment period is set from Sept. 23 until Nov. 15. Additionally, beginning in July 2011, insurers writing individual coverage for children are to hold an open enrollment period each July, for the entire month, and each January, for the entire month.

**BWC:** The Bureau of Workers' Compensation said it had entered into a formal partnership with the National Institute for Occupational Safety and Health that is intended to reduce workplace injuries and increase safety research.

The NIOSH/BWC Strategic Alliance is expected to build on Ohio's research capabilities leading to better safety interventions and preventing workplace injuries.

**Capital Square:** As the 150<sup>th</sup> anniversary of the Ohio Statehouse draws near, the Capitol Square Review and Advisory Board launched Friday its Sesquicentennial Creativity Challenge for K-12 students.

The challenge will be open through the next year and will allow students to learn about the history of the Statehouse and Ohio democracy. The announcement coincides with the month-long Arts and Humanities Month celebration, which also began Friday.

Separately, the agency along with the Capitol Square Foundation seeks nominations for the Great Ohioan Award to commemorate special Ohioans who have played a significant role in an event or series of events of lasting significance in world, American or state history.

**Highway Patrol:** The agency recently completed the fourth and final phase of "Operation Safety Net," a concentrated traffic enforcement and criminal patrol operation, with the New York State Police, Pennsylvania State Police, West Virginia State Police and U.S Border Patrol.

The effort went on throughout the summer in an attempt to reduce fatal and injury crashes, while interdicting the criminal element. The endeavor was a success in many ways, most notably in the area of fatal crash reduction. Through the combined efforts of the agencies involved, there were no traffic fatalities on any of the routes patrolled while this operation was in effect in 2010.

During the final phase, there were only nine total crashes, including seven with injuries, in the areas patrolled by all four of the partnering states. Ohio Troopers assisted 85 motorists and gave out 65 warnings, according to the agency.

**Natural Resources:** The Ohio Geological Survey has upgraded the suite of interactive mapping applications on its website, which includes more extensive and real-time data, improved historic map scans, historical records and faster downloads.

In all, seven interactive maps are available to users, including maps of Ohio earthquake epicenters, Lake Erie coastal erosion areas and the state's active mineral industry operations. Users can access the mapping applications using a new launch screen, which features brief summaries of the information provided in each application and short explanations on how to navigate the maps.

**Ohio Business:** GE Marks \$60 Million Upgrade At Bucyrus; Cleveland Smart Meters; MBC-SBA; Dish-Fox Battle; Construction Analysis

GE Lighting executives, employees and union leaders joined government officials and community leaders at the company's manufacturing plant in Bucyrus on Friday to mark GE's \$60 million investment in the facility and the jobs it created.

GE Lighting is headquartered in Cleveland. The company manufactures energy-efficient linear fluorescent light bulbs at the Bucyrus production plant.

Bulbs made in Bucyrus are sold to customers across the U.S. and in cities around the world. Employment is expected to nearly double with more than 130 jobs added over the next few years as the Bucyrus plant ramps up production to sell the made-in-Ohio fluorescent products in global markets.

Friday's celebration marked a milestone as new production equipment was installed in the factory. The first fluorescent light bulbs made from the newly installed equipment will begin to roll off production lines in December.

U.S. Sen. Sherrod Brown (D-Cleveland) cited the event as another reason for Congress to extend "the popular and successful" Advanced Energy Manufacturing Tax Credit program under the Economic Recovery Act that helped GE refit the Bucyrus factory.

In May, the Bucyrus plant received a \$19.8 million tax credit through the program to retool for clean energy manufacturing.

The program provides a 30% credit for domestic companies that invest in new, expanded, or re-equipped clean energy manufacturing projects. The program is aimed at building capacity to meet a new and growing source of demand.

"In Ohio, we know how to make things. Our rich manufacturing history is exactly why companies like GE Lighting choose to locate their plants in our state," Sen. Brown said. "This \$60 million investment will put more than 100 Ohioans to work in stable, good-paying jobs making energy-efficient products that consumers want to buy."

**Cleveland Meters:** A Spokane, Washington company said Friday the City of Cleveland awarded it a contract to deploy the firm's "smart water metering solution"

in the municipality.

Itron Inc. said that using the fixed network-based system underscores Cleveland's intent to provide enhanced and reliable service to customers, and to use innovative technologies.

The project involves installation of 425,000 "Choice Connect" water modules, network infrastructure and accompanying software, which will be deployed over three years.

The two-way communications network will enable Cleveland to collect time-synchronized hourly meter data.

Itron said access to accurate and granular usage data will enhance the city's level of service to customers by enabling real-time bill reconciliations and high-bill avoidance with customer-side leak detection for greater overall billing accountability.

The interval data will also provide a clear understanding into actual customer usage patterns to better balance supply with demand.

Cost of the project was not disclosed. The Cleveland Division of Water services at least 1.5 million residents in the city and surrounding communities.

**SBA Loan:** Midwest Business Capital (MBC) in Columbus said Friday it has become one of the first two financial institutions in the nation to take advantage of an important Small Business Administration loan program to assist small business lending and aid job growth.

MBC said it closed a SBA 504 first mortgage loan pool, partnering with Texas-based Coastal Securities, which acted as the pool investor.

The SBA program will create a secondary market for the SEA 504 loan program, which is used by small businesses to finance the acquisition of commercial real estate and equipment.

MBC said creation of a secondary market for such loans would bring liquidity to community banks, allowing them to provide additional loans to help job creation and spur economic growth.

"We have been actively making SBA 504 first mortgages allowing small business owners to finance the acquisition of owner occupied real estate," said Dick Witherow, MBC president. "The start of the pooling program will allow us to continue to originate these loans for our customers."

**Dish-Fox:** Dish Network LLC said Friday that Fox Networks was blocking access to 19 Fox regional sports networks and other programming.

The satellite program provider said Fox was demanding a new contract with a rate increase of more than 50 percent.

Dish said Fox's removal of the channels followed the programmer's national TV, print and web advertising campaign designed to intimidate the network and its customers into paying the rate increase.

"Dish Network is not going to allow Fox or any programmer to bully our customers into paying such an unconscionable price increase," said Dave Shull, senior vice president of programming for the satellite network. "Fox has a long history of trying to shake down pay TV providers, including Cablevision, Time Warner, and Bright House."

**Construction Analysis:** Associated General Contractors of America said Friday its analysis of new Census Bureau data shows total construction spending edged up 0.4% between July and August to \$812 billion, driven by increases in public construction activity including stimulus and base realignment projects.

Association officials pointed out that private residential and nonresidential spending both continued to shrink, as private-sector demand for construction remained extremely weak.

"Federal investments from the stimulus and other programs are protecting some construction workers from a devastating downturn in private construction activity," said Ken Simonson, the association's chief economist.

"But the industry will continue to be at risk of greater economic hardships as long as private demand for construction continues to shrink," he said in a news release.

Private residential construction dropped 1.7% during the past year while private nonresidential spending dropped 24 percent.

Supplemental Agency Calendar

Tuesday, October 5

**Construction Industry Licensing Board**, Division of Industrial Compliance & Labor, 6606 Tussing Road, OCILB Conference Room, Reynoldsburg, 10 a.m. (Electrical Section)

Wednesday, October 6

**Real Estate Commission**, Division of Real Estate & Professional Licensing, 77 S. High St., 20th Floor, Columbus, 9 a.m.

**Construction Industry Licensing Board**, Division of Industrial Compliance & Labor, 6606 Tussing Road, OCILB Conference Room, Reynoldsburg, 10 a.m. (Plumbing Section)

Thursday, October 7



**Rail Development Commission**, Highbanks Metro Park - Nature Center, 9466 Columbus Pike, Columbus, 8:30 a.m. (Fall retreat)

**Construction Industry Licensing Board**, Division of Industrial Compliance & Labor, 6606 Tussing Road, OCILB Conference Room, Reynoldsburg, 10 a.m. (HVAC Section)

Friday, October 8

**Board of Building Appeals**, ODOT District Three Office, Conference Room, 906 Clark Avenue, Ashland, 8:30 a.m.

**Ethics Commission**, 2nd Fl., Rm. 3, 30 West Spring Street, Columbus, 10:30 a.m.

Thursday, October 21

**School Funding Advisory Council**, OSBA, 8050 N. High St., Columbus, 12 p.m.

Supplemental Event Planner

Tuesday, October 5

Rep. Edna Brown (D-Toledo), candidate for 11th Senate District, fundraiser, Einstein Bros. Bagels, 41 S. High St., Columbus, 8:30 a.m., (\$300 requested)

Tuesday, October 12

Rep. Jarrod Martin (R-Beavercreek) fundraiser, Athletic Club, 136 E. Broad St., Columbus, 5:30 p.m., (\$250 to Friends of Jarrod B. Martin)

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